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#### ARTICLES:

(1) Roos hits the books on Japan

YOMIURI (Page 4) (Full)  
July 28, 2009

Honorary Professor Daniel Okimoto, friend of U.S. ambassador to Japan-designate

U.S. President Obama has nominated John Roos (54), an attorney, as the next U.S. Ambassador to Japan. Roos is expected to arrive at his post in Japan soon after the Senate approves his nomination. He is an unknown figure in diplomatic circles. Interviewing him is prohibited until the Senate approves his nomination. The Yomiuri Shimbun asked Professor Emeritus Daniel Okimoto (66) of Stanford University, who has known Roos personally for more than 20 years, about Roos's political stance.

-- When did you become acquainted with Mr. Roos?

He was my student. Since he became an attorney, he has continued to consult with me regarding legal matters."

-- How was he appointed to the post?

"President Obama offered several posts to Mr. Roos from around

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February of this year. Mr. Roos chose the post of ambassador to Japan in around early April. He views Japan as the most important U.S. ally. He is interested in Japanese companies, economy, culture, and society. He has been to Japan many times on business. He also likes sumo wrestling, baseball and Kurosawa's films. His wife is interested in Japanese flower arrangement. "

-- What advice did you give to Mr. Roos after his nomination?

"I gave him several books on Japanese history, politics, culture, and economy, including former ambassador to Japan Reischauer's books. I also recommended books written by Haruki Murakami. I e-mail him important articles on Japan every day. He is studying hard about Japan, meeting former ambassadors to Japan Mondale and Armacost. I plan to hold as many study sessions as possible with Mr. Roos even after his nomination is approved."

-- How did Mr. Roos become interested in politics?

"He became interested in politics when he worked as an intern for six months at the White House during the Carter administration, when he was a student at Stanford University. He then became close to former Senator Bill Bradley and won his great trust. He has supported Democratic presidential candidates in the past presidential elections.

--What is his basic political stance?

"He is socially liberal. He is a defender of civil rights and calls for consideration to the poor, including the realization of a universal healthcare system. He is conservative in economic terms. He attaches importance to free trade.

-- Is his relationship with President Obama still close enough to be able to talk to him directly?

"They talked to each other directly using their cell phones during the presidential campaign. If he telephones the President at the White House now and leaves a message, the President himself will get back to him."

-- Please tell us your expectations of Mr. Roos as ambassador?

"Some say that he was nominated as ambassador for his contribution

in raising funds for President Obama. However, that is not the case. He is a considerate person and a very competent attorney, who listens to other people's opinions. He has many acquaintances among politicians."

(2) LDP reveals manifesto for roadmap for doshu or regional bloc system

YOMIURI SHIMBUN (Top Play) (Excerpts)  
Evening, July 28, 2009

The Liberal Democratic Party (LDP) on July 28 revealed a manifesto for regional decentralization, which it is advocating in the campaign for the upcoming Lower House election. The LDP has come up with a policy of adopting a doshu or regional bloc system of reorganizing the present system of prefectures six to eight years after setting up a review council and then enacting a basic law. The manifesto also mentions that of local governments' share in

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government-sponsored projects, maintenance and management expenses will be abolished in the next fiscal year.

Concerning the doshu or regional bloc system, the manifesto for the first time mentions a roadmap of swiftly enacting a basic law that will incorporate principles and then switching to the system after setting a deadline. The policy platform also notes a policy of concurrently promoting the transfer of authority to Hokkaido as a model case.

Regarding the share of local governments in government-sponsored projects, the LDP policy platform pledges the abolition of maintenance and management expenses for national roads and class-A rivers shouldered by local governments in response to a strong request made by local governments. It also pledges to limit government-sponsored projects to basic and wide-area ones and drastically review the cost-sharing system itself.

The manifesto also proposes submitting and enacting a new comprehensive decentralization bill, which stipulates the abolition or curtailment of the central government's local branches and a revision to the system of the central government regulating services provided by local governments in detail by law.

Also included in the manifesto is a policy of establishing a consultative organ for representatives of the central and local governments to discuss decentralization as requested by Osaka governor Toru Hashimoto and turning it into legislation. It also includes a policy of substantively reduce the number of projects, by limiting such eligible for government subsidies to those to repair the damage wrought by natural disaster.

Making public appeal on differences with DPJ

The LDP has indicated a roadmap for a shift to a doshu or regional bloc system in its manifesto for the Lower House election in order to make a public appeal on differences with the DPJ as well as to comply with the request filed by chiefs of local governments, such as Hashimoto.

Under the regional bloc system, the existing prefectures will be reorganized into some 10 provinces and administrative work, authority and resources will be transferred to those provinces.

The DPJ is showing a cautious stance to the regional bloc system from the perspective of strengthening and attaching importance to the role of basic autonomous bodies (cities, towns, villages). Its manifesto does not touch on the system.

The LDP is presumably motivated by the desire to have mayors of municipalities cooperate not with the DPJ but with the LDP in the upcoming Lower House election. However, its manifesto does not show the specific image of the system. The transition period is set at six to eight years after the enactment of a basic law, leaving an unclear element.

(3) Interview with Lower House Foreign Affairs Committee Chairman Taro Kono on intent behind statement that "secret nuclear agreement existed"

MAINICHI (Page 2) (Full)  
Evening, May 27, 2009

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Interviewer: Taichi Nemoto

There have been reports about a "secret nuclear agreement" under which Japan allowed U.S. vessels carrying nuclear weapons to call on Japanese ports and pass through Japanese territorial waters. While the Aso cabinet had consistently denied the existence of such an agreement, Taro Kono (LDP Aso faction), House of Representatives Foreign Affairs Committee chairman before the recent Diet dissolution, has declared: "A secret agreement existed. The government's false statements are unacceptable." We interviewed Kono on what his intent was in making such a statement.

Q: Japan, an atomic-bombed country, is supposed to abide by the three no-nuclear principles of "not producing, possessing, and introducing" nuclear weapons. However, Mr. Kono, you have determined on July 11 that "the two governments signed a secret agreement" at the time of the revision of the bilateral security treaty in 1960.

Kono: The United States has made the official documents public a long time ago. Former Ambassador to Japan Edwin Reischauer's statement (in 1981) also admitted the existence of the secret agreement, and retired Rear Admiral Gene LaRoque of the U.S. Navy testified (in 1974) that "nuclear arms were not removed when calling on Japanese ports."

I also talked directly to former Administrative Vice Foreign Minister Ryohei Murata and many others recently and was given similar testimonies. This means that the secret agreement revealed by statements from the U.S. sides has also been confirmed on the Japanese side.

Q: Still, the government denies this stubbornly.

Kono: Even then President George Bush (senior) declared the removal of tactical nuclear weapons from aircraft carriers and other naval vessels in 1991.

Q: Which means it is possible that ships carrying nuclear weapons had called on Japanese ports.

Kono: The government claims that since there had not been any request from the U.S. for prior consultation, nuclear arms had not been brought in. Are they saying that U.S. ships removed the nuclear arms somewhere else before calling on Japanese ports and put them back on after leaving Japan?

During the Cold War era, there might have been the need for the whole government to deny the secret agreement for the sake of Japan's security under the 1955 system of conflict between the Liberal Democratic Party (LDP) and the Japan Socialist Party. However, the Cold War has ended, and at a time we should be talking about how to deter North Korea's nuclear weapons, we will get nowhere if we keep saying "there was no secret agreement."

Q: Why do they continue to deny?

Kono: It is not possible for the bureaucrats to make a decision to deny what previous prime ministers have said consistently. Therefore, politicians should take the initiative. Prime Minister Taro Aso or Foreign Minister Hirofumi Nakasone only needs to make a political decision.

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Q: Are you saying the prime minister does not have the will to make

such a decision?

Kono: For sure, the rule of politics is that one has to take the responsibility for the consequence. In reality, a decision has not been made. This is the responsibility of the foreign minister.

Q: From the layman's point of view, the prime minister can simply order the foreign minister to do so.

Kono: I don't think so. It is primarily the foreign minister's responsibility. The foreign minister should make a decision and report to the prime minister.

Q: Do you think this is very vexing?

Kono: I think they should do it at an early date.

Q: Did you talk to Foreign Minister Nakasone directly?

Kono: My policy is I cannot talk without the other party's permission, so I will not say if we have talked or not.

Q: What is the level of North Korea's threat?

Kono: Apparently, the day when North Korea will be able to load warheads it developed on its own on missiles it produced on its own is approaching.

Q: Very soon?

Kono: Probably quite soon.

Q: When?

Kono: Ask the technical people. I don't know. However, we should think about what we should do if that happens.

Q: U.S. President Barack Obama advocates nuclear disarmament.

Kono: I also think that the ultimate solution is nuclear disarmament. However, this is not possible without resolving the problem facing us, North Korea. Furthermore, there is also the question of China's nuclear arms. Nuclear warheads need to be removed under a formula acceptable to all countries.

Q: Will Japan allow bringing in nuclear arms until then?

Kono: We need to have a free discussion on what strategy Japan needs to adopt for deterrence, including the option of Japan possessing nuclear arms.

Q: Mr Kono, do you think Japan should also possess its own nuclear capability?

Kono: I don't think so. It is unclear what benefits this will bring.

Q: I believe the United States also does not want Japan to possess nuclear arms.

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Kono: That is a stupid question. What matters is not the United States' wishes. I think we should not follow the U.S. blindly; we should discuss "what does Japan want to do?"

Q: Japan and the U.S. agreed to hold regular consultations on the "nuclear umbrella" on July 18.

Kono: That's right. But what about the "nuclear umbrella" specifically? I don't know. The secret agreement has not been acknowledged, and it is even unclear what sort of deterrence is in place. North Korea's nuclear arms and the nuclear umbrella - if the cabinet gives serious thought to these two issues, it is obvious that the government's statement needs to be revised.

Q: You should become the foreign minister and make the secret agreement public.

Kono: Well, I myself would like to become the foreign minister (laughs). If I tell the bureaucrats "gather the evidences on the secret agreement and bring them here," they will probably look everywhere and bring them to me. That is their job.

Q: Are you sure they will really bring the evidence?

Kono: The evidence (might have been destroyed and) might not exist. However, we have official documents and testimonies from the U.S. side. The matter can be settled with an admission by the foreign minister.

Q: What if the prime minister stops you?

Kono: In that case, I will have to resign from the cabinet. However, if the prime minister is opposed to this, he would not have appointed me in the first place.

Q: Next year marks the 50th anniversary of the revision of the Japan-U.S. security treaty. Why is it that many former Ministry of Foreign Affairs officials are testifying at this point in time?

Kono: I can feel that there are certain motives behind this. Perhaps these former officials are telling the government to change its statement in order to break out of the stalemate.

Q: Is it because the incumbent officials do not dare to say so, and they are making the former officials talk on their behalf?

Kono: I don't know. I really don't know.

Q: You should have passed a resolution at your committee demanding that the government change its statement before the Diet was dissolved. The Diet was in session on July 15 and 17 after the motion of no confidence on the cabinet was rejected.

Kono: Honestly, it was really a shame. If the resolution had been passed, we would have been able to avoid the worst scenario of the committee accepting the government's statement after the members of the Foreign Affairs Committee are replaced after the election. I could have convened the committee as the chair. The resolution could have been passed with a bare quorum and a unanimous vote by members from both the ruling and opposition parties.

Q: Why didn't you convene the committee?

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Kono: The Democratic Party of Japan (DPJ) did not want to hold the meeting because Diet dissolution was imminent and the party's Diet Affairs Committee disapproved. (It's a shame because) I had stood firm despite the opposition of the LDP's Diet Affairs Committee. I negotiated with the DPJ but they said we can do it after the election. I think the important thing is not to point fingers at who is to blame but to engage in discussions on nuclear deterrence steadily.

(4) DPJ unveils manifesto aiming to realize Kantei-led politics

MAINICHI (Page 3) (Abridged slightly)  
July 28, 2009

Naruyuki Tanaka

Democratic Party of Japan (DPJ) President Yukio Hatoyama unveiled yesterday the party's manifesto (campaign pledges) for the upcoming House of Representatives election featuring a plan to establish a lawmaker-led decision-making system putting an end to the bureaucracy-led system. Under this system, the DPJ plans to revamp the entire budgetary system which has been controlled by bureaucrats with the aim of eliminating wasteful spending of tax revenue to come up with funding for the DPJ's showcase policy measures, such as a child allowance. But the concrete picture of lawmaker-led politics

remains unclear and a question mark is hanging over prospects for securing funding.

#### Sending 100 lawmakers to ministries and agencies

The DPJ manifesto begins with five principles, such as realizing politics led by lawmakers rather than by bureaucrats, making policy decisions strictly under the cabinet, and prioritizing national interests led by the Prime Minister's Official Residence (Kantei) over bureaucratic interests. The manifesto also includes five policy measures to realize the five principles. Hatoyama made the following comment at a press conference yesterday: "This will enable us to conduct politics without being controlled by bureaucrats. We will be able to use bureaucrats well and to fully demonstrate our leadership."

At the top of the five policy measures is a plan to send some 100 lawmakers to ministries and agencies as ministers, senior vice ministers, parliamentary secretaries, and assistants to ministers. But at present, some 70 ruling-party lawmakers are already placed at the ministries and agencies. Will an additional 30 lawmakers result in lawmaker-led politics?

Deputy President Naoto Kan has explained, "It is important for each ministry to have a team of three parliamentarians as a minister, senior vice minister, and parliamentary secretary." The reason is because the DPJ thinks the unity of three lawmakers at each ministry is severed by bureaucrats. The DPJ system is designed for the three lawmakers at each ministry to meet at least once a week to strengthen their unity and to plan policies and make adjustments and decisions.

#### A committee of ministers

The manifesto also calls for setting up a committee of ministers for relevant ministers to discuss challenges that require interagency

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adjustments. The results of the meeting will be reported to the Prime Minister and a cabinet meeting without leaving matters to government officials. It has been customary for administrative vice-ministers to hold meetings to make adjustments on matters ahead of a cabinet meeting. The DPJ plans to abolish such meetings as a symbol of bureaucracy-led politics.

The difference between a council of relevant cabinet ministers that is set up as necessary and a committee of ministers is unclear. It can be said that the ministers can display their leadership depending on how the system is operated. Questions also remain about what to do with administrative coordination between ministries and agencies. Policy Research Committee Chair Masayuki Naoshima said about meetings of administrative vice-ministers that they will be abolished as venues to make final decisions, adding that his party does not mean to deny administrative meetings.

#### Budget compilation at the Kantei

The DPJ manifesto also calls for the establishment of a national strategy bureau directly under the Prime Minister to realize a Kantei-led decision-making system. Hatoyama has expressed his desire to appoint a policy research committee chair-level policy specialist as the chief of the national strategy bureau. The bureau will play a central role in shifting the budget-compilation power from the Finance Ministry to the Kantei. The DPJ plans to revamp the overall budgetary system by establishing an administrative renovation council under the bureau which is tasked with examining the budgets and a variety of systems to eliminate wasteful spending and wrongdoing.

The establishment of the national strategy bureau and the administrative renovation council reportedly requires a legal basis. Whether or not such bodies can become functional before budget-compilation for fiscal 2010 start is uncertain. To begin with, the Council on Economic and Fiscal Policy (CEFP) was set up for the purpose of lawmaker-led budget compilation. The CEFP played a main role in the postal privatization program and regulatory

reform under the former Koizumi administration. The difference between the CFP and the two new bodies remains ambiguous.

Kasumigaseki making preparations while remaining on alarm

Hijiri Saito, Keisuke Ota

All ministries and agencies are alarmed at the DPJ's plan to turn around the past policies by putting an end to the bureaucracy-led decision-making system.

The DPJ plans to generate over 16 trillion yen by eliminating wasteful spending, using surplus funds in special accounts dubbed "buried treasure," among other means. A senior Finance Ministry official is unconvinced with the DPJ's plan: "Can the party really cut spending deeply? Lawmakers representing local constituencies might raise objections to reducing public works projects."

The Finance Ministry is particularly concerned about the DPJ's plan to establish the national strategy bureau tasked with formulating a budget compilation policy. The bureau might rob the ministry of its traditional power to compile budgets. The Finance Ministry has promoted Shunsuke Kagawa, 52, who served as a secretary to former DPJ President Ichiro Ozawa when he was serving as deputy chief

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cabinet secretary under the then Takeshita administration, from the post of deputy director-general of the Budget Bureau to the post of deputy vice-minister for policy planning and coordination, a contact point with ministries and agencies and the Bank of Japan, apparently in a bid to preserve its influence even after a DPJ administration is launched.

The Land and Transport Ministry is also highly alarmed for fear of losing its vested interests of road-use revenue as a result of the DPJ's pledge to make expressways toll free and to abolish the provisional gasoline tax rate. A senior ministry official expressed this hopeful view: "Even DPJ lawmakers want to see roads build in their constituencies. Once the party takes power, I think the DPJ will settle on a pragmatic policy course."

The Land and Transport Ministry has decided to retain Hiroaki Taniguchi, 60, in his post as administrative vice-minister, and Makoto Taketoshi, 59, as vice-minister, who entered the ministry in the same year as Taniguchi. It is customary for senior ministry officials who joined the ministry in the same year as a vice-minister to retire from the ministry. Rumor has it that the transport ministry has decided to keep Taketoshi in anticipation that Taniguchi will be fired as a result of locking horns with the DPJ.

The Agriculture, Forestry, and Fisheries Ministry is reacting negatively to the DPJ's plan to establish an income indemnity system for individual farming households. Administrative Agriculture Vice-Minister Michio Ide criticized the plan, saying, "Requiring a lot of paper work, the plan is not pragmatic." His comment was criticized by the DPJ as lacking political neutrality. Idei explained in response, "I do not intend to criticize all of the DPJ policies."

Kenji Yamanouchi, 51, former director of the Foreign Ministry's First North American Division, has been appointed as counsellor of the Cabinet Secretariat. Yamanouchi served as a secretary to DPJ President Yukio Hatoyama when he was deputy chief cabinet secretary under the then Hosokawa administration. Yamanouchi is expected to become a secretary to Hatoyama when he becomes prime minister.

(6) Interview with DPJ Secretary General Katsuya Okada: Determined to sever cozy ties (with bureaucrats) with change of government

NIKKEI (Page 2) (Full)  
July 28, 2009

-- What is the top campaign issue for the House of Representatives election?



The upcoming election will ask the voters' judgment on whether the current government should be replaced. The election provides an opportunity for the voters to express their views about whether they hope for a new kind of politics free of long-standing fetters.

-- How are you going to change politics?

We are determined to change the current relationship between politicians and government officials. Politicians are dependent on bureaucrats. Under the current mechanism, politicians, although they are representatives of the people, do not make policy decisions. Decisions are made neither by officials nor even the prime minister;

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they are instead made by the bosses of the Liberal Democratic Party's policy cliques in the Diet. A switch in power is the sole means to end this mechanism.

-- What is your party's line of victory or defeat?

Our goal is to grab the reins of government. Even if we attain this goal, a rocky road lies ahead of us. The economic situation is gloomy, and people are becoming exhausted in their daily lives. Further, the nation sits on a massive debt. We must carry out policy measures with firm determination.

-- Your party has pledged not to raise the consumption tax for the next four years.

If and when we decide to raise the consumption tax, we will specify it in our manifesto for a national election. We will decide on the margin of such a hike, depending on what pension system is designed. We are still flexible about this point. We have not rejected discussion of a consumption tax hike.

-- Are you going to set up an arena for the ruling and opposition parties to discuss pensions and other issues?

A forum was set up in the Diet in the days of former prime minister Junichiro Koizumi, but it did not properly operate. If the ruling camp proposes setting such a forum as part of its election strategy, we will not agree. But if the other side is eager to discuss issues in a serious manner, we will welcome it.

-- How does your party intend to raise the necessary fiscal resource of 7.1 trillion yen to finance such new policy measures as abolishing gasoline and other provisional tax rates?

Since there is 5 trillion yen (in untapped funds), raising the money will not be so difficult. There are some funds that can be discontinued next fiscal year and beyond (among the funds in the fiscal 2009 supplementary budget). It should be possible to immediately cancel plans to construct public facilities.

Does the party still have no intention to issue deficit-covering bonds to fund its new policy measures?

That (issuing no deficit-covering bonds) is our basic policy stance, but it is necessary to consider how to squeeze out the necessary fiscal resources. We have yet to discuss how to deal with the immediate fiscal issue.

-- How about the possibility of extending the ongoing Self-Defense Force's refueling mission in the Indian Ocean beyond its expiration in January?

I have no comment for now. It is necessary to make a comprehensive judgment. Prime Minister Aso called our stance on this issue "inconsistent," but although we are dissatisfied at the relevant law authorizing the mission, it is another matter to pull back the already dispatched troops.

- Will the party change the government's mid-term goal of reducing greenhouse gas emissions (by 15 PERCENT from 2005 levels)?

We intend to change the goal. We are aiming to assume the initiative

in international negotiations by calling for a 25 PERCENT cut from 1990 levels. The government's annual economic and fiscal policy guidelines will come to naught.

(7) Editorial: Examining policies for the 2009 Lower House election: Expectations and doubts about the pledges of DPJ aiming to capture political power

NIKKEI (Page 2) (Full)  
July 28, 2009

The Democratic Party of Japan (DPJ) has published its manifesto (campaign pledges) for the House of Representatives election on July 27. It has put forth "five pledges" based on a complete reshuffle of the budget and elimination of wasteful spending, conveying its strong will for a change of administration. On the other hand, many of its specific policies consist of pork barrel spending, and the party undoubtedly gives the impression of evading discussions on revenue sources and increase in cost.

At his news conference on July 27, President Yukio Hatoyama declared that, "We must create politics where the people play the central role to replace politics of relying on the bureaucrats since the Meiji Period," reiterating the need for a change of administration.

Aiming to break down bureaucrat-led policymaking

The DPJ presents in the manifesto a "blueprint of the administration," whose features include the following: (1) sending around 100 Diet members to serve as ministers, senior vice ministers, parliamentary secretaries, and so forth in the government; (2) politicians will coordinate policies through the "ministerial committees," and the administrative vice ministers' meeting will be abolished; and (3) creation of a "national strategy bureau" reporting directly to the prime minister, which will formulate a national vision and the outline of the budget.

Its attempt to have Diet members, who have the mandate of the people, play a more active role in policy-making is commendable. However, the bureaucratic organizations are expected to resist fiercely the proposals for the reform of the civil service system, including a complete ban on amakudari (golden parachute) and a 20 percent cut in personnel costs. We would like to know how the DPJ proposes to realize such reforms.

The DPJ puts emphasis on rehabilitating the people's livelihood in its concrete policies. It plans to spend 7.1 trillion yen in FY2010 and 16.8 trillion yen in FY2013 for the top priority policies.

Specifically, a child allowance of 312,000 yen per child will be paid out each year until the child graduates from middle school; and subsidies will be provided to make public high schools virtually free of charge. Temporary tax rates for gasoline and other taxes will be abolished immediately and expressways will be made toll free in principle. Income compensation for farming households will be implemented from FY2011, and measures to relieve the shortage of doctors are also included.

Support for parents will alleviate the declining birth rate, and lower gasoline tax will help the livelihood of residents in the regions who have to move around by car. The clarification of the order of priority in the road map will be helpful in enhancing the

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voters' understanding of these policies.

Many questions also come to mind. First, what is the growth strategy for enhancing Japan's productivity and enlarging the pie, which will be the basis for the distribution of wealth? A perspective on "the Japanese economy in the world" is also absent.

Agricultural policy is a typical example of pork-barrel largesse.

While the DPJ claims that income compensation for farming households will regenerate agriculture and improve the food self-sufficiency rate, will Japan be able to improve the competitiveness of its agriculture without changing the old cost structure? The DPJ also says that it will promote the conclusion of free trade agreements (FTA), but the liberalization of the agricultural market will inevitably become an issue in this process. Its measures for economic revitalization, including regulatory and tax reforms, are inadequate.

The review of postal privatization is also a cause for concern. The DPJ may have wanted to turn away from the reform policy of the Koizumi administration, but reversing the trend of "from the government to the private sector" contradicts its own policy of cleaning up the public interest corporations.

The global warming prevention measures deserve compliment to a certain extent. The DPJ will aim for reducing greenhouse gas emission by 25 percent from the 1990 level by 2020. It will also consider the creation of an emission trading market and introducing a global warming tax. The idea of expanding the environmental field strategically is correct but does this not conflict with the policy of toll free expressways?

Another question is about securing revenue sources and how to stabilize government finances in the future. The DPJ has cited the reduction or abolition of wasteful spending and special taxes and the utilization of special accounts and "buried treasure" as its revenue sources, but it has not identified specifically what items are to be reduced.

The DPJ says that the details will be decided by the "administrative renovation council" consisting of some outside experts after taking over the administration. It is possible that the party intends to cover the fiscal shortfall by increasing the issuance of government bonds for the time being. It is also uncertain whether the new administration will be able to overcome the resistance of the interest groups and the ministries in making the budget cutbacks.

#### Path to fiscal health not visible

The manifesto makes no mention of increasing the consumption tax rate. While President Hatoyama admits the need to discuss this issue, he has said that there will be no tax hike in four years. Its posture of deferring the problem is unwise. The DPJ says it will enact amendments to the Pension Law by 2013 which will introduce a minimum pension funded by the consumption, among other things. It needs to give a clearer explanation not only on pensions, but also on its overall thinking on the social security systems.

The manifesto lacks concrete plans to restore fiscal health in a situation where the long-term debts of the national and local governments have reached 1.7 times of the GDP. Even though prospects for the economy and tax revenues remain uncertain, it is the

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responsibility of a political party seeking to take over the administration to outline a plan for restoring fiscal health. Ambiguity in fiscal discipline will give rise to distrust of the market and of Japan's government finances.

There is no doubt that foreign and security policies were given low priority in the process of drafting the manifesto. The document contains such vague expressions as "a close and equal Japan-U.S. alliance relationship" and "the realization of world peace and prosperity" but does not touch on such issues as what to do with the Maritime Self-Defense Force's refueling mission in the Indian Ocean in the future.

The Liberal Democratic Party's (LDP) efforts to draft its manifesto have been much delayed. We ask that each political party clarify its position on the major issues and step up their policy debate as soon as possible.

(8) DPJ aware of high hurdles to Futenma relocation outside Okinawa

Ahead of the forthcoming general election for the House of Representatives, the Democratic Party of Japan (Minshuto) has now released its manifesto or campaign pledges. The DPJ manifesto, however, does not incorporate the party's advocacy of relocating the U.S. military's Futenma airfield outside Okinawa Prefecture. This is because the DPJ is becoming aware of the high hurdles ahead. "There is no change in our policy (of relocating Futenma airfield outside Okinawa Prefecture)," DPJ Policy Research Committee Chairman Masayuki Naoshima said yesterday after the DPJ released its manifesto. However, he stressed that it would not be easy to do so, saying: "The hurdles are high. We will have to make various preparations."

Another reason is that the DPJ has yet to reach a consensus on security among its members. One DPJ member said: "Our party's Okinawa vision proposes relocating Futenma airfield outside Okinawa Prefecture, but there is also a question about whether that is possible. There are various opinions within the party, including those who agree with the government's plan to relocate Futenma airfield to Henoko (in Nago City). We are not necessarily in agreement."

In the Diet, the DPJ raised an objection to an agreement reached between the Japanese and U.S. governments on relocating U.S. Marines from Okinawa to Guam. On this issue as well, there is a split of opinion in the DPJ. "The reason why we opposed the Guam relocation pact is because it was contingent on the relocation of Futenma airfield to Nago," DPJ Secretary General Katsuya Okada explained in a press conference on July 24. However, Naoshima said yesterday: "The Guam relocation pact is in the form of a treaty between the two countries. If we change the course of action or do things in a different way just because there is a change of government, diplomacy will not function."

Another DPJ member said. "We cannot touch security issues so easily. The LDP (Liberal Democratic Party) will find fault with us. That's like providing them with ammunition with which to attack us." The DPJ is divided over its security policy, and the LDP could use that as a weak point to attack. The DPJ member therefore stressed that

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the DPJ tried to constrain the LDP from attacking the DPJ.

One DPJ officer explained: "When it comes to base issues, we will have to negotiate with the United States. We don't want our image to seem anti-U.S. for the first impression. For now, we will not clarify our attitude (to relocate Futenma airfield outside Okinawa Prefecture). This is an intentional strategy in order to start negotiations with the United States."

Naoshima implied his consideration for the United States, saying: "The Japan-U.S. relationship is a cornerstone. This will not change (even if the DPJ comes into power). We will have to create a relationship of mutual trust with the Obama administration and will have to communicate with each other to avoid misunderstandings."

(9) Relocation of Futenma outside of Okinawa, secret nuclear accord not in DPJ manifesto

Tokyo - The Democratic Party of Japan (DPJ) issued its manifesto (campaign pledges) for the House of Representatives election on July 27. The policies on foreign affairs and defense, including policies on the U.S. military bases in Okinawa, follow those in the Policy Index 2009 published on July 23. Although the party claims that its position on the relocation of the Futenma Air Station outside of Okinawa remains unchanged, there is no mention of this issue in the manifesto. Regarding U.S. Forces Japan (USFJ) realignment and the military bases, the DPJ says it will "suggest the revision of the Status of Forces Agreement (SOFA)" and "deal with this in the direction of a review." Except for the base issue, there is nothing

in the document on Okinawa's economic development.

"Secret agreement" also not included

Policy Research Committee Chairman Masayuki Naoshima emphasized that, "Our basic thinking remains unchanged." He explained that the reason why the relocation of Futenma outside of Okinawa has not been written into the manifesto is that: "If you ask me whether that can be implemented immediately after the change of administration, the truth is it will be difficult," indicating that this matter will be discussed after building a relationship of trust between Japan and the U.S.

On the question of reviewing USFJ realignment plans, Naoshima pointed out: "This is an agreement between governments. The relocation (of U.S. Marines in Okinawa) to Guam, in particular, is now a bilateral treaty. Diplomacy will not be viable if policies change with the change of administration." He made no mention of any concrete plans for the review.

With regard to the lack of any mention of the "secret nuclear agreement" between Japan and the United States, Naoshima said: "The government still denies its existence. The facts are unclear. We will get a clear picture of the situation and make a decision after taking over the administration."

Naoshima sought understanding for the foreign and defense policies in the manifesto, stating: "It is necessary to build trust between Japan and the U.S. and hold dialogue to avoid misunderstanding. Such is the basis of diplomacy. Therefore, the wording tends to be a bit

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subdued."

In the manifesto, the DPJ calls for "building a close and equal relationship" between the two countries and says that Japan "will formulate an independent diplomatic strategy, engage in division of labor with the U.S., and fulfill Japan's responsibility positively."

(10) Commentary: DPJ underscores "dialogue" in relations with U.S. in manifesto

OKINAWA TIMES (Page 2) (Full)  
July 28, 2009

Shogo Nishie, Tokyo Bureau

Behind the decision not to mention the relocation of the Futenma Air Station outside of Okinawa in the manifesto (campaign pledges) for the House of Representatives election issued by the Democratic Party of Japan (DPJ) is the party's desire to put forward a "dialogue policy," instead of a "tough posture" in dealing with the U.S., which disapproves of changes in the policy on military bases. There is no denying that the process leading to serious discussions on these issues after building a relationship of trust between the two countries - how much time it will take, for instance - has not been defined.

There is an opinion in the DPJ that Futenma's relocation outside of Okinawa is the party's standing policy, so there is no need to write this into the manifesto. Furthermore, some officials were defensive even before the manifesto was published, saying: "Non-inclusion (in the manifesto) does not mean that the policy will not be implemented." (mid-ranking Diet member) Therefore, "this is within the scope of what was expected." (government source)

However, the absence of a concrete policy direction in the manifesto for a general election meant to choose the administration will be seen by the voters as a lack of will to implement the policy or the absence of such a policy posture. The DPJ will be put to an even tougher test in terms of how it will present plans for realizing policies and its governing ability from now on.

On the other hand, diplomacy is not a one-way process. It is difficult to reach an agreement simply by asserting one's position.

While a senior DPJ official says "it will not take much time" to review foreign policy, it is actually not easy to build an "equal Japan-U.S. relationship" as stated in the manifesto. The DPJ will be tested in terms of the administration's stance and its responsibility to explain to the people in the process of strategic negotiations with the U.S. in the future.

(11) Reading the course of 2009 Lower House election; Point at issue in Okinawa: Differences in views on Futenma clear

RYUKYU SHIMPO (Page 2) (Full)  
July 26, 2009

With respect to the U.S. base issue, the ruling and opposition camps are split over the evaluation of the roadmap of the realignment of U.S. forces in Japan, which was agreed upon between Japan and the United States. In particular, a plan to build a facility replacing Futenma Air Station in the Henoko district in Nago is a strong point

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at issue in the Okinawa electoral district. The ruling bloc is promoting a plan to build a new base in Okinawa, while the opposition camp is against the idea of building a new base in Okinawa. Continuation of the realignment of U.S. forces with the continued existence of the LDP-New Komeito coalition, or its review due to a change of government?

Public pledges of each political party regarding U.S. force realignment and the Status of Forces Agreement are drawing much attention.

For the purpose of eliminating the danger of Futenma Air Station, the ruling Liberal Democratic Party (LDP) and the New Komeito are promoting the plan to relocate it to Henoko within the prefecture rather than to a site outside the prefecture, a much more difficult task. The LDP Okinawa chapter's view is that it is ideal to move the air station out of the prefecture and that it was a painful decision to relocate it within the prefecture. A New Komeito prefectural headquarters source commented: "We have endorsed the governor's difficult decision to relocate the air station to a site within the prefecture."

Meanwhile, the opposition camp is opposed to the idea of building a new base in the prefecture as running counter to the goal of reducing the excessive burden on Okinawa. But the opposition parties' responses vary, with one calling for relocation outside the prefecture or outside the country, and another insisting on the unconditional reversion of the air station. A person connected with the Social Democratic Party (SDP) Okinawa chapter took this view: "The (Japan-U.S.) agreement goes against the wishes of the people of Okinawa. We are determined to realize the popular will opposing the relocation." The Japanese Communist Party's (JCP) Okinawa chapter is calling for the unconditional reversion of the base, with one saying: "Reviewing the relocation plan is insufficient. Futenma Air station, which is most dangerous in the world, must be closed down immediately." The local Okinawa Social Mass Party says it is best to relocate the base abroad. The stance of the political group Sozo and the People's New Party Okinawa branch is that they would discuss a variety of options, including the base's integration into an existing facility in the prefecture and relocation to a site outside the prefecture or even outside the country. The Democratic Party of Japan (DPJ) Okinawa chapter is pointing to a place outside the prefecture, saying, "Okinawa does not need a base replacing Futenma Ari Station." But there is no mention of removing Futenma out of Okinawa in the DPJ's policy index for 2009, which will serve as the foundation for its manifesto.

Every time an incident or accident occurs, the Status of Forces Agreement (SOFA) becomes an impediment, for instance, to detaining a U.S. serviceman believed to have committed (an incident or accident) or conducting environmental research on a base, preventing the prefectural government from taking the initiative in dealing with such situations. Although the prefectural government is calling for a drastic review of the SOFA, the central government's response has been confined to the realm of improving the operation of the pact. The call for a SOFA review has not made headway.

All parties in the prefecture are calling for a revision to the SOFA. There are differences in views between the prefectural chapters of the ruling LDP and the New Komeito and their headquarters in Tokyo. Challenges lie ahead for them to come up with specific revision plans. The DPJ's Okinawa chapter is also insisting

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on moving Futenma out of the prefecture. Whether the DPJ will include such a plan in its manifesto remains to be seen.

View of each party or party prefectural chapter about building Futenma replacement facility  
LDP Okinawa chapter SDP Okinawa branch JCP Okinawa committee New Komeito Okinawa headquarters  
Modify the plan premised on the relocation within the prefecture. Immediate, unconditional, and total reversion of the air station. Immediate closure and removal of the air station. Support the governor's decision to relocate the base in the prefecture.  
DPJ Okinawa chapter Okinawa Social Mass Party Sozo People's New Party Okinawa branch  
Move the base out of the prefecture, including abroad Remove the base to a site outside Japan. Consider options, including the base's integration into an existing facility in the prefecture and its removal out of the country. Consider options, including the base's integration into an existing facility in the prefecture and its removal out of the country.

(2009 Lower House election news-gathering team)

(12) Pre-election poll on public trends

TOKYO SHIMBUN (Page 2) (Full)  
July 28, 2009

Questions & Answers  
(Figures shown in percentage)

Q: To what extent are you interested in the forthcoming general election for the House of Representatives?

Very interested 46.8 (44.1)  
Somewhat interested 37.7 (38.7)  
Not very interested 12.8 (13.2)  
Not interested at all 2.5 (3.9)  
Don't know (D/K) + no answer (N/A) 0.2 (0.1)

Q: Which political party's candidate are you going to vote for in your single-seat constituency in the general election?

Liberal Democratic Party (LDP) 16.1 (16.1)  
Democratic Party of Japan (DPJ or Minshuto) 31.7 (34.1)  
New Komeito (NK) 3.7 (2.8)  
Japanese Communist Party (JCP) 3.8 (2.1)  
Social Democratic Party (SDP or Shaminto) 1.1 (0.9)  
People's New Party (PNP or Kokumin Shinto) 0.5 (0.1)  
Reform Club (RC or Kaikaku Kurabu) --- (---)  
New Party Nippon (NPN or Shinto Nippon) --- ---  
Other political parties, groups --- ---  
Independent candidate 0.5 (1.7)  
None 2.5 (3.6)  
Undecided 38.8 (37.5)  
D/K+N/A 1.3 (1.1)

Q: Which political party are you going to vote for in your proportional representation bloc?

LDP 15.6 (15.6)  
DPJ 30.7 (36.2)  
NK 4.9 (4.2)

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JCP 5.0 (3.4)  
SDP 1.1 (1.2)

PNP 0.9 (0.1)  
RC --- (---)  
NPN 0.1 (---)  
Other political parties, groups 0.1 (---)  
None 2.6 (3.4)  
Undecided 37.4 (34.7)  
D/K+N/A 1.6 (1.2)

Q: What do you weigh the most when you vote in the general election?

Social security, such as pension and healthcare 40.2 (40.9)  
Economy, job security 29.9 (30.7)  
Taxation, such as consumption tax 8.5 (8.4)  
Decentralization, administrative reform 7.5 (6.9)  
Constitutional reform 2.4 (1.9)  
Foreign relations, national security 3.1 (2.3)  
Politics and money 4.2 (4.4)  
Political heredity 1.0 (1.2)  
Other answers 1.0 (0.6)  
D/K+N/A 2.2 (2.7)

Q: Are you going to vote in the forthcoming election?

Yes for sure (including early voting) 73.1 (75.4)  
Yes if possible 22.4 (21.1)  
No 3.2 (3.0)  
D/K+N/A 1.3 (0.5)

Q: What form of government would you like to see after the next general election?

LDP-led coalition government 18.6 (14.8)  
DPJ-led coalition government 38.6 (39.3)  
LDP-DPJ grand coalition 11.6 (16.7)  
New framework through political realignment 19.4 (20.8)  
D/K+N/A 11.8 (8.4)

Q: When comparing Prime Minister Taro Aso and DPJ President Yukio Hatoyama, who do you think is more appropriate for prime minister?

Taro Aso 22.8 (21.0)  
Yukio Hatoyama 48.5 (48.4)  
D/K+N/A 28.7 (30.6)

Q: Is there a political party you usually support?

Yes 33.8 (32.1)  
No 65.1 (67.1)  
D/K+N/A 1.1 (0.8)

Q: (Only for those who answered "yes" to the foregoing question)  
Then, which political party do you support?

LDP 42.5 (47.8)  
DPJ 32.4 (31.0)  
NK 11.0 (8.9)  
JCP 10.0 (5.7)  
SDP 1.8 (3.8)  
PNP 0.5 (0.1)

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RC --- (---)  
NPN --- (---)  
Other political parties, groups --- (---)  
D/K+N/A 1.8 (2.7)

Q: (Only for those who answered "no" to the foregoing question) If you were to support a political party, which political party would you like to choose?

LDP 17.4 (18.0)  
DPJ 37.0 (43.1)  
NK 1.8 (1.8)  
JCP 2.8 (2.7)



SDP 1.8 (1.4)  
PNP 1.7 (0.3)  
RC 0.1 (0.2)  
NPN 0.3 (---)  
Other political parties, groups --- (---)  
Still none 35.3 (31.4)  
D/K+N/A 1.8 (1.1)

Q: Do you support the Aso cabinet?

Yes 18.4 (20.6)  
No 71.4 (72.8)  
D/K+N/A 10.2 (6.6)

Polling methodology: This survey was conducted across the nation on July 25-26 by Kyodo News Service on a computer-aided random digit dialing (RDD) basis. Among randomly generated telephone numbers, those actually for household use with one or more eligible voters totaled 1,768. Answers were obtained from 1,241 persons.

ZUMWALT